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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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June 2, 2010

Robert Steele
1055 North 400 East
Nephi, Utah 84648

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Robert Steele, Road Canyon, S/027/0115, Millard County, Utah

Dear Mr. Steele:

The Division has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. In section I # 3 please indicate if the contact person should be notified for: permitting, surety, and notices.
2. In section II # 1, please include as much detail as possible of the legal description, to the quarter, quarter, quarter section if possible, or provide GPS coordinates. Please also provide the name of the quad map.
3. A map needs to be provided showing how to get to the mine from a landmark or State or US highway.
4. The operational map is not sufficient and needs more detail. As outlined in the application form, it needs to show:
 - The area to be disturbed.
 - The location of existing or proposed operations, including waste rock storage, access roads, drill holes, trenches, pits, shafts, etc.
 - Any adjacent previous disturbance for which you would not be held accountable for reclamation.
 - Storage locations for fuel, explosives, and equipment.

The map needs to include a scale and a north arrow, and it should also show topographic contours so an inspector could find the site.

5. The maps show the locations of several drill holes, and while it appears these are old drill holes and not part of this operation, this needs to be made clear.
6. In section III # 3, please state how much material will be extracted or moved.



7. The operational plan in III # 5 needs more detail, including:
 - The length of the tunnel.
 - Information about mining methods, such as blasting or drilling, and equipment to be used.
 - Please state whether there will be any on-site processing or use of chemicals.
8. Please include information in section III, items 6 and 7, concerning roads. As shown, there would be no way to access the mine site.
9. In section V, please indicate whether you are requesting a variance.

Rule R647-3-107 contains several important provisions that may apply to this operation, but the NOI is not necessarily required to contain this information. Specifically, the Division has concerns about the following:

1. What minerals are in the waste rock? Is an acidic reaction possible? Deleterious materials must be handled in accordance with R647-3-107.4.
2. Protection of public safety. Any openings to underground workings must be closed when the mine is not in operation. Appropriate warning signs must be placed where public access to operations is readily available.
3. Is there a need to control drainage?

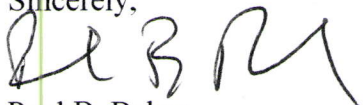
In addition, the Division strongly recommends that metal T posts be used to mark the disturbed area boundary.

Until the required information is provided, the Division will be unable to calculate the amount of the reclamation surety.

Please provide your response as replacement pages to your original NOI, using Form MR-REV-SMO/EXP, available on the Division's web site at www.ogm.utah.gov

If you have any questions regarding this letter, please call me at 801-538-5261 or John Rogers at 801-538-5349. In reply, please refer to file number S027/0115. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager